

International Brotherhood of Electrical Workers



Local Union 1106



**Testimony on House Bill 4314
House Energy and Technology Committee
March 22, 2011**

Good morning Chairman Horn and members of the committee. My name is Brian Groom, and I am the President of the International Brotherhood of Electrical Workers, Local 1106. Our local represents employees working in Michigan's telecommunications industry throughout the state. We are here to present some concerns we have with House Bill 4314.

This legislation is based on the premise that changes to telecommunication technology has made the need for public oversight of traditional landline services obsolete. We disagree with this premise. While it is true that in many cases customers have several options for telecommunications services, for many of Michigan's over 4 million landline users, those choices are not readily available or based on other services to which they may not have access.

Over the past decade, the Michigan Legislature has gradually removed telecommunications providers from the oversight of the Michigan Public Service Commission. This bill would complete that process by eliminating the last vestige of regulation – the Primary Basic Local Exchange Service. This service, as currently mandated in state statute, requires residential service providers to offer – at the very least – a basic calling plan to customers in their service territory. In 2005, when PSC regulation of larger calling plans was eliminated, proponents argued that the public would continue to be protected by the existence of a Primary Basic Local Exchange Service requirement.

This means that telecommunication companies providing basic local exchange or toll service will be able to discontinue or deny service to any customer who has access to "a comparable voice service." Nothing in the bill ensures that such service would be affordable, reliable or of a minimum quality. For customers living in remote areas which are of a higher cost to serve via landlines, this legislation could result in them having to depend on higher cost and less reliable forms of telecommunication services. This bill would create a telecommunications environment where large areas of the state have no access at all to traditional landline telephone service.

We understand that as technology changes, so must regulatory frameworks. However, we believe that House Bill 4314 goes much further than necessary toward that end. Proponents of this legislation argue that access to wireless or internet telecommunications alleviate the need for regulation of traditional landline services. We feel that the opposite is in fact true. If landline use is to become increasingly the realm of the elderly and the economically disadvantaged, then government oversight will be needed more than ever to protect them from abuses.

Thank you for the opportunity to testify. I am happy to answer any questions you may have.

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